

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Windsor Charter Township	County Eaton
Fiscal Year End 12-31-05	Opinion Date 6-27-06	Date Audit Report Submitted to State 6-29-06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

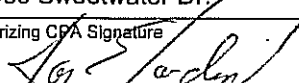
We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO **Check each applicable box below.** (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☐ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) Cardinal Tepatti & Co., P.C.		Telephone Number 517-627-4008		
Street Address 11966 Sweetwater Dr.		City Grand Ledge	State MI	Zip 48837
Authorizing CPA Signature 		Printed Name Jay E. Cardinal		License Number 1101009698

**WINDSOR CHARTER TOWNSHIP  
EATON COUNTY  
AUDIT REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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Jay E. Cardinal, CPA  
Randall L. Tepatti, CPA  
Steven W. Shults, CPA  
Thomas J. Bellgraph, CPA

## INDEPENDENT AUDITOR'S REPORT

Honorable Board Members  
Windsor Charter Township  
Dimondale, MI 48821

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Windsor Charter Township, Dimondale, Michigan, as of and for the year ended December 31, 2005, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Windsor Charter Township, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Windsor Charter Township, Dimondale, Michigan, as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, pages 3 through 5, budgetary comparison information, pages 28 through 30, and combining balance sheet and statement of revenues, expenditures, and changes and fund balance, pages 30 through 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Randall L. Tepatti, *Registered Representative*

Securities offered through NEXT Financial Group, Inc. Member NASD/SIPC. Cardinal Tepatti & Co., P.C. is not an affiliate of NEXT Financial Group, Inc.

Honorable Board Members  
Windsor Charter Township  
Dimondale, MI 48821

Our audit was conducted for the purpose of Windsor Charter Township, Dimondale, Michigan, basic financial statements. The introductory section and schedule of indebtedness are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and schedule of indebtedness have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Cardinal Trepelle & Co. P's*

Grand Ledge, Michigan  
June 27, 2006

WINDSOR CHARTER TOWNSHIP  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR YEAR ENDED DECEMBER 31, 2005

The management of the Windsor Charter Township, ("the Township") offers this narrative overview and analysis of the financial activities of the Township for the year ended December 31, 2005 for the benefit of the readers of these financial statements. This management's discussion and analysis is intended to assist the reader in focusing on significant financial issues and to provide an overview of the Township's financial activity. We encourage readers to consider the information presented here in conjunction with the financial statements as a whole, which can be found in this report.

**Financial Highlights**

The assets of the Township exceeded its liabilities at the close of the year by \$3,303,435 (net assets). Of this amount, \$1,056,730 (unrestricted net assets) may be used to meet the Township's ongoing obligations to citizens and creditors.

The Township's total net assets increased by \$795,457.

**Overview of the Financial Statements**

The Township's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements.

For the first time, this report includes government-wide statements as required by GASB Statement Number 34. The government-wide financial statements are designed to provide a broad overview of the Township's financial position. The Statement of Net Assets and the Statement of Activities are two new financial statements that report information about the Township as a whole, and provide measurements of long-term trends. They are presented using a method of accounting that is similar to a private-sector business.

The Statement of Net Assets presents information on all of the Township's assets and liabilities, the difference between the two being reported as the Net Assets of the Township. Over time, increases or decreases in net assets can serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The Statement of Activities gives the information on the revenues and expenses causing the underlying change in the government's net assets during the most recent year. All changes in net assets are reported as soon as the change occurs, regardless of the timing of related cash flows.

The government-wide financial statements can be found on pages 6 and 7 of this report.

**Focus on Funds**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the Township are categorized as governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide information to facilitate this comparison between governmental funds and governmental activities.

The Township maintains five individual governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance. The general and sewer debt service funds are considered to be major funds and three special revenue funds are considered to be non-major funds.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information.

The basic governmental fund financial statements can be found on pages 8 and 10 of this report.

#### **Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-side and fund financial statements. The notes to the financial statements can be found on pages 15 through 27 of this report.

#### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Township's general fund budget on pages 28 and 29 and combining statements for non-major funds on pages 30 and 31.

#### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of government's financial position. In the case of the Township, assets exceeded liabilities by \$3,303,435 at the close of the most recent fiscal year.

A large portion of the Township's net assets (27 percent) reflects its investment in capital assets (e.g., Township land and buildings, furniture and fixtures, and equipment), less any related debt, none at year end, used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens, consequently, these assets are not available for future spending.

Net assets restricted for debt service on the sewer bonds comprise 41 percent of total net assets at yearend.

### Condensed Financial Information

The table below compares key financial information in condensed format:

	2005	2004
Current assets	\$ 4,988,403	\$ 3,298,879
Long-term assets	6,690,036	6,337,400
Capital assets - net of depreciation	899,802	999,173
Total assets	12,578,241	10,635,452
Other liabilities	714,806	610,280
Long-term debt	8,560,000	6,830,000
Net assets:		
Invested in capital assets, net of depreciation	899,802	999,173
Restricted for debt service	1,346,903	1,257,379
Unrestricted	1,056,730	944,052
Total net assets	\$ 3,303,435	\$ 3,200,604
Revenue:		
Taxes	\$ 1,197,582	\$ 1,238,417
Taxes levied for debt services	2,365,000	
Inter-governmental	442,991	417,188
Investment earnings	505,419	358,814
Other	406,016	305,289
Total Revenue	4,917,008	2,319,708
Expenses - Township Services	4,121,551	2,040,922
Change in net assets	\$ 795,457	\$ 278,786

### Contacting the Township

This financial report is designed to provide the wide variety of users of this document with a general overview of the Township's finances and demonstrate the Township's accountability for the money entrusted to it. If you have any questions regarding this report or need additional financial information, please direct your requests to the Windsor Charter Township, 405 W Jefferson, Dimondale, Michigan 48821.



WINDSOR CHARTER TOWNSHIP  
GOVERNMENT WIDE STATEMENT OF NET ASSETS  
DECEMBER 31, 2005

	Primary Governmental Activities	Component Unit
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,345,261	\$ 102,539
Investments	1,998,484	267,664
Receivables:		
Accounts	69,675	
Taxes	545,072	
Interest	136	
Special Assessment-Current	641,039	
Special Assessment-Interest	382,333	
Prepaid Insurance	6,403	865
Deferred Charges:		
Unamortized Bond Issuance Costs	113,215	
Special Assessments-Deferred	6,576,821	
Capital Assets-Net	899,802	180,117
	<u>12,578,241</u>	<u>551,185</u>
Total Assets	\$ 12,578,241	\$ 551,185
<b>LIABILITIES</b>		
Accounts Payable	\$ 14,825	\$ 1,291
Accrued and Other Liabilities	98,987	3,330
Accrued Interest	55,922	
Deferred Revenue	545,072	
Noncurrent Liabilities		
Due Within One Year	800,000	
Due in More Than One Year	7,760,000	
	<u>9,274,806</u>	<u>4,621</u>
Total Liabilities	\$ 9,274,806	\$ 4,621
<b>NET ASSETS</b>		
Invested in Capital Assets	\$ 899,802	\$ 180,117
Restricted for Debt Service	1,346,903	
Restricted for Special Purposes		24,335
Unrestricted	1,056,730	342,112
	<u>3,303,435</u>	<u>546,564</u>
Total Net Assets	\$ 3,303,435	\$ 546,564

The notes to the financial statements are an integral part of this statement.

**WINDSOR CHARTER TOWNSHIP  
GOVERNMENT WIDE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2005**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Component Units
Primary Government						
Governmental Activities:						
General Government	378,695 \$	19,845 \$	\$	\$	(358,850)	\$
Public Safety	524,992				(524,992)	
Public Works	2,546,484				(2,546,484)	
Health and Welfare	224,512	276,506	\$ 16,822		68,816	
Other	83,309				(83,309)	
Interest on Long-Term Debt	326,559				(326,559)	
Total Governmental Activities	4,084,551 \$	296,351 \$	16,822	\$ -0-	(3,771,378)	\$
Component Units						(92,263)
Dorothy Hull Library	99,498 \$	7,235 \$	-0-	\$ -0-		
General Revenues:						
Property Taxes					507,542	6,383
Property Taxes Levied for Debt Service					2,365,000	30,758
State-Shared Revenues					442,991	6,470
Penal Fines						
Investment Earnings					505,419	
Franchise Fees					25,600	
Miscellaneous					14,141	
Gain on Sale of Asset					53,102	2,355
Transfers					(37,000)	37,000
Total General Revenues and Transfers				\$	3,876,795	\$ 82,966
Change in Net Assets				\$	105,417	\$ (9,297)
Net Assets - January 1					3,198,018	555,861
Net Assets - December 31				\$	3,303,435	\$ 546,564

The notes are an integral part of the statements.

**WINDSOR CHARTER TOWNSHIP  
GOVERNMENTAL FUNDS BALANCE SHEET  
DECEMBER 31, 2005**

	General Fund	Sewer Debt Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 813,663	\$ 531,598	\$	\$ 1,345,261
Investments	156,455	1,661,875	180,154	1,998,484
Receivables:				
Taxes	496,694	7,600,193	48,378	8,145,265
Interest		22	114	136
Due From Other Funds			8,019	8,019
Receivable From State	69,675			69,675
<b>Total Assets</b>	<b>\$ 1,536,487</b>	<b>\$ 9,793,688</b>	<b>\$ 236,665</b>	<b>\$ 11,566,840</b>
<b>Liabilities</b>				
Accounts Payable	\$ 13,385	\$	\$ 1,440	\$ 14,825
Accrued Expenses	98,987			98,987
Due to Other Funds	8,019			8,019
Deferred Revenue	496,694	7,600,193	48,378	8,145,265
<b>Total Liabilities</b>	<b>\$ 617,085</b>	<b>\$ 7,600,193</b>	<b>\$ 49,818</b>	<b>\$ 8,267,096</b>
<b>Fund Balances</b>				
Reserved	\$	2,193,495		2,193,495
Unreserved	919,402		186,847	1,106,249
<b>Total Fund Balances</b>	<b>\$ 919,402</b>	<b>\$ 2,193,495</b>	<b>\$ 186,847</b>	<b>\$ 3,299,744</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,536,487</b>	<b>\$ 9,793,688</b>	<b>\$ 236,665</b>	<b>\$ 11,566,840</b>

The Notes to Financial Statements are an integral part of this statement.

WINDSOR CHARTER TOWNSHIP  
GOVERNMENTAL FUNDS  
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL  
FUNDS TO STATEMENT OF NET ASSETS  
DECEMBER 31, 2005

Total fund balance -Total governmental funds	\$ 3,299,744
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the governmental fund financial statements.	1,880,302
Accumulated depreciation has not been included in the governmental fund financial statements.	(980,500)
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures.	7,600,193
Deferred charges for bond issuance costs are not financial resources and are not reported in the governmental fund financial statements.	113,215
Long-term liabilities are not due and payable in the current period and are not reported in the funds.	(8,560,000)
Bond interest payable do not required current-period resources and, therefore, not reported in the funds.	(55,922)
Prepaid items are not available to pay current-period expenditures and, therefore, not reported in the funds.	<u>6,403</u>
Net assets of governmental activities	\$ <u><u>3,303,435</u></u>

The Notes to Financial Statements are an integral part of this statement.

**WINDSOR CHARTER TOWNSHIP**  
**GOVERNMENTAL FUNDS STATEMENT OF REVENUE,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**DECEMBER 31, 2005**

	General Fund	Sewer Debt Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Taxes	\$ 465,603	\$ 690,040	\$ 41,939	\$ 1,197,582
State Grants	442,991			442,991
Charges for Services	19,845			19,845
Interest and Rentals	40,583	459,805	5,031	505,419
Other Revenue	332,269			332,269
<b>Total Revenues</b>	<b>\$ 1,301,291</b>	<b>\$ 1,149,845</b>	<b>\$ 46,970</b>	<b>\$ 2,498,106</b>
<b>Expenditures</b>				
Current				
General Government	\$ 374,403	\$	\$	\$ 374,403
Public Safety	432,783			432,783
Public Works	61,739		37,421	99,160
Health and Welfare	224,512			224,512
Other	68,574	1,088		69,662
Capital Outlay		2,447,324		2,447,324
Debt Service		955,531		955,531
<b>Total Expenditures</b>	<b>\$ 1,162,011</b>	<b>\$ 3,403,943</b>	<b>\$ 37,421</b>	<b>\$ 4,603,375</b>
<b>Excess of Revenues Over (Under)</b>				
<b>Expenditures</b>	<b>\$ 139,280</b>	<b>\$ (2,254,098)</b>	<b>\$ 9,549</b>	<b>\$ (2,105,269)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers In	\$	\$	\$ 34,735	\$ 34,735
Transfers Out	(71,735)			(71,735)
Sale of Assets	55,800			55,800
Bond Issuance Costs		(34,983)		(34,983)
Discount on Bonds		(23,650)		(23,650)
Proceeds of Special Assessment Bonds		2,365,000		2,365,000
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (15,935)</b>	<b>\$ 2,306,367</b>	<b>\$ 34,735</b>	<b>\$ 2,325,167</b>
<b>Excess of Revenues and Other</b>				
<b>Sources Over (Under) Expenditures</b>				
<b>Expenditures and Other Uses</b>	<b>\$ 123,345</b>	<b>\$ 52,269</b>	<b>\$ 44,284</b>	<b>\$ 219,898</b>
<b>Fund Balance - January 1</b>	<b>796,057</b>	<b>2,141,226</b>	<b>142,563</b>	<b>3,079,846</b>
<b>Fund Balance - December 31</b>	<b>\$ 919,402</b>	<b>\$ 2,193,495</b>	<b>\$ 186,847</b>	<b>\$ 3,299,744</b>

The Notes to Financial Statements are an integral part of this statement.

**WINDSOR CHARTER TOWNSHIP  
GOVERNMENTAL FUNDS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

Net Change in Fund Balance - Total Governmental Funds	\$ 219,898
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation.	
Capital asset purchases capitalized	3,850
Depreciation expense	(101,322)
Sale of fixed assets are reported in the governmental funds as revenues, but only the gain realized is reported in the statement of activities	(1,898)
Repayments of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduced long-term debt).	635,000
Bond issuance costs are recorded as an expenditure in the governmental funds, but not in the statement of activities where only the amortization is recorded	49,135
Accrued interest increase expenses reported in the statement of activities, but are not reported as expenditures in the governmental funds because they do not require the use of current financial resources.	(10,176)
Prepaid items reduce expenses reported in the statement of activities, but are reported as expenditures in the governmental funds because they require the use of current financial resources.	970
Change in Net Assets of Governmental Activities	\$ <u><u>795,457</u></u>

The Notes to Financial Statements are an integral part of this statement.

**WINDSOR SHARTER TOWNSHIP  
STATEMENT OF NET ASSETS  
FIDUCIARY FUNDS  
DECEMBER 31, 2005**

	<u>Agency Fund</u> <u>Current</u> <u>Tax</u> <u>Collection</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ <u>3,156,339</u>
Total Assets	\$ <u><u>3,156,339</u></u>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 3,905
Undistributed Tax Collections	<u>3,152,434</u>
Total Liabilities	\$ <u><u>3,156,339</u></u>

The Notes to Financial Statements are an integral part of this statement.

WINDSOR CHARTER TOWNSHIP  
 COMPONENT UNIT - DOROTHY HULL LIBRARY  
 STATEMENT OF NET ASSETS  
 DECEMBER 31, 2005

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 102,539
Investments	267,664
Prepaid Insurance	865
Capital Assets - Net	<u>180,117</u>
Total Assets	<u>\$ 551,185</u>
<b>LIABILITIES</b>	
Accounts Payable	\$ 1,291
Accrued Expenses	<u>3,330</u>
Total Liabilities	<u>\$ 4,621</u>
<b>NET ASSETS (DEFICIT)</b>	
Invested in Capital Assets	\$ 180,117
Restricted for Special Purposes	24,335
Unrestricted	<u>342,112</u>
Total Net Assets	<u>\$ 546,564</u>

The notes to the financial statements are an integral part of this statement.



WINDSOR CHARTER TOWNSHIP  
COMPONENT UNIT - DOROTHY HULL LIBRARY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2005

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions
Governmental Activities:				
Recreation and Culture	\$ 99,498	\$ 7,235	\$ -0-	\$ -0-
General Revenues:				
State Aid - Unrestricted				6,383
Penal Fines				30,758
Investment Income				6,470
Miscellaneous				2,355
Transfers				37,000
Total General Revenue				\$ 82,966
Change in Net Assets				\$ (9,297)
Net Assets (Deficit) - Beginning of Year				555,861
Net Assets (Deficit) - End of Year				\$ 546,564

The notes to the financial statements are an integral part of this statement.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of Windsor Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant policies used by Windsor Charter Township:

The Reporting Entity

The Charter Township of Windsor was incorporated under the provision of Act 359, P.A. 1947, as amended. The Township operates under an elected Board of Trustees and provides services to its more than 6,000 residents. In accordance with generally accepted accounting principles and Governmental Accounting Standards Board (GASB) Statement No. 14 (The Financial Reporting Entity", these financial statements present the Local Unit (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included.

Discretely Presented Component Unit

Dorothy Hull Library

The Library, which was established pursuant to the provisions of Michigan law (MCL 397.210), is governed by an elected six member board of directors. The Library Board has exclusive control over library funds, expenditures and of any library building construction, supervision, care and maintenance.

Complete financial statements for the component unit may be obtained at the library located at 405 West Jefferson, Dimondale, MI 48821. Library fund revenues must be deposited in the township treasury and are drawn by the township treasurer on library board vouchers.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the township and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, generally financed in whole or in part with fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the township is financially accountable.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Fund Financial Statements**

The Township segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental activities. These statements present each major fund as a separate column on the fund financial statements.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current resources. The Township has presented the following major governmental funds:

**General Fund** – The general fund is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**Special Revenue Funds** – These funds are used to account for specific governmental revenues (other than expendable trusts and major capital projects) requiring separate accounting because of regulatory provisions or administrative action.

Additionally, the Township reports the following fund type:

**Fiduciary Funds** – These funds are used to account for assets held in trust or as an agent for others. The Current Tax Collection Fund is the Township's only fiduciary fund.

**Measurement Focus/Basis of Accounting**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgements are recorded only when payment is due.

Private-sector standard of accounting issued prior to December 1, 1989, are generally followed in the government-wide financial statements to the extent that those standards do not conflict with standards of the Governmental Accounting Standards Board.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

**Bank Deposits and Investments**

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity date within three months or less when acquired.

**Receivables and Payables**

In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D**

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1<sup>st</sup> on the taxable valuation of property as of the preceding December 31<sup>st</sup>. Taxes are considered delinquent on March 1<sup>st</sup> of the following year, at which time penalties and interest are assessed.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	20 to 40 years
Land Improvements	15 years
Furniture and Fixtures	5 to 20 years
Machinery & Equipment	4 to 10 years
Vehicles	10 years

Compensated Absences (Vacation and Sick Leave)

Full-time ambulance employees are granted vacation and sick leave benefits in varying amounts to specified maximums, depending upon tenure with the Township. Upon termination, it is Township policy to pay unused vacation time as additional time off and not to pay for any unused sick leave.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONT'D**

The estimated current portion of the liability for vested vacation benefits attributable to the Township's governmental funds is recorded as an expenditure and liability in the respective funds. No long-term portion was recorded.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Property Taxes

The Township property tax is levied on each December 1, on the State taxable valuation of property located in the Township as of the preceding December 31<sup>st</sup>.

Although the Township 2005 ad valorem tax is levied and collectible on December 1, 2005, it is the Township's policy to recognize revenue from the current tax levy in the subsequent year.

The 2005 State Equalized Valuation of the Township totaled \$256,066,700 and the State Taxable Valuation was \$205,958,600, on which ad valorem taxes levied consisted of 2.4 mills and raising \$496,693 for Township operations.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

Budget Policies

Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State Law for the general fund and special revenue funds. All annual appropriations lapse at fiscal year end. Encumbrances are not employed.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the activity level. Expenditures in excess of amounts budgeted are a violation of Michigan Law. State law permits entities to amend their budgets during the year. There were no significant amendments during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds

<u>Fund</u>	<u>Appropriated</u>	<u>Expended</u>	<u>Variance</u>
General Fund:			
General Government:			
Cemetery	\$ 40,100	\$ 40,205	\$ (105)
Public Works			
Street Lighting	8,450	9,688	(1,238)
Public Safety:			
Fire Department	404,222	404,757	(535)
Health and Welfare:			
Ambulance	214,400	224,512	(10,112)

**NOTE 3 - CASH**

Michigan Compiled Laws, section 129.91, authorizes the Township to make deposits and invest in the accounts of the federally insured banks, credit unions, and savings and loan associations which have offices in Michigan. The Township is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 3 – CASH - CONT'D**

The Township Board has designated five banks for deposit of Township funds. The investment policy adopted by the board in accordance with Public Act 196 of 197 has authorized investments in bank accounts and CDs, but not the remainder of State statutory Township as listed above.

The Township's deposits and investment policy are in accordance with statutory authority.

At year-end, the Local Unit's deposits and investments were reported in the following categories:

	Governmental Activities	Business-Type Activities	Fiduciary Funds	Total Primary Government	Component Units
Cash and Cash Equivalents	\$ 1,345,261	\$ -0-	\$3,156,339	\$4,501,600	\$201,296
Investments	651,581	-0-	-0-	651,581	137,434
Restricted Assets	<u>1,346,903</u>	<u>-0-</u>	<u>-0-</u>	<u>1,346,903</u>	<u>24,335</u>
Total	<u>\$ 3,343,745</u>	<u>\$ -0-</u>	<u>\$3,156,339</u>	<u>\$6,500,084</u>	<u>\$363,065</u>

The Breakdown between deposits and investments is as follows:

	Primary Government	Component Units
Bank Deposits (checking and savings Accounts, certificates of deposit)	\$1,340,871	\$102,539
Investments in Securities, Mutual Funds and Similar Vehicles	1,998,484	267,664
Petty Cash and Cash on Hand	<u>-0-</u>	<u>-0-</u>
Total	<u>\$3,339,355</u>	<u>\$370,203</u>

The bank balance of the primary government's deposits is \$1,346,934, of which \$200,000 is covered by federal depository insurance. The component units' deposits had a bank balance of \$102,539 of which \$102,535 was covered by federal depository insurance.

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Local Governmental Unit or its agent in the government's name;
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name; and
3. Uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Local Governmental Unit's name.



**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

At year-end, the government's investment balances were categorized as follows:

Primary Government

	Category			Reported Amount (Fair Value)
	1	2	3	
Certificates of Deposit	<u>\$246,893</u>	<u>\$1,751,591</u>	<u>\$-0-</u>	\$ 1,998,484

Component Unit

	Category			Reported Amount (Fair Value)
	1	2	3	
Certificates of Deposit	<u>\$139,746</u>	<u>\$ 70,817</u>	<u>\$-0-</u>	210,563
Investments Not Subject to Categorization				<u>57,101</u>
Totals				<u>\$2,266,148</u>

The New York Life Insurance investment is in a whole life insurance policy insuring the life of the donor. The Library is the beneficiary and owner of this policy. The donor has paid \$100,000 on the insurance policy. Future insurance premiums will be paid from cash values of the insurance policy. The cash and face values of the policy at December 31, 2005, were \$58,614 and \$121,867, respectively.

**NOTE 4 – RECEIVABLES**

Receivables as of year-end for the government's individual major and nonmajor funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Sewer Debt	Non-Major and Other Funds	Total
Taxes receivable	\$ 496,694	\$	\$ 48,378	\$ 545,072
Accounts				
Special Assessments		7,600,193		7,600,193
Intergovernmental	69,675			69,675
Interest and Other		22	114	136
Gross Receivables	<u>566,369</u>	<u>7,600,215</u>	<u>48,492</u>	<u>8,215,076</u>
Less: Allowance for Uncollectibles	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Net Receivables	<u>\$ 566,369</u>	<u>\$ 7,600,215</u>	<u>\$ 48,492</u>	<u>\$ 8,215,076</u>

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity of the primary unit for the current year was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 117,935	\$	\$	\$ 117,935
<b>Capital Assets Being Depreciated</b>				
Buildings	694,804			694,804
Land Improvement	16,326			16,326
Furniture & Fixtures	56,169			56,169
Machinery & Equipment	322,658	6,000	(6,000)	322,658
Vehicles	714,327		(41,917)	672,410
<b>Subtotal</b>	<b>1,804,284</b>	<b>6,000</b>	<b>(47,917)</b>	<b>1,762,367</b>
<b>Less Accumulated Depreciation</b>	<b>923,046</b>	<b>101,322</b>	<b>(43,869)</b>	<b>980,499</b>
<b>Net Capital Assets Being Depreciated</b>	<b>881,238</b>	<b>(95,322)</b>	<b>(4,048)</b>	<b>781,868</b>
<b>Governmental Activities Capital Total Capital Assets - Net of Depreciation</b>	<b>\$ 999,173</b>	<b>\$ (95,322)</b>	<b>\$ (4,048)</b>	<b>\$ 899,803</b>

Depreciation expense totaling \$101,322 was charged to the general government program in the statement of activities.

Capital asset activity of the component unit for the current year was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 4,190	\$	\$	\$ 4,190
<b>Capital Assets Being Depreciated</b>				
Building	92,966			92,966
Land Improvement	3,950			3,950
Furniture & Fixtures	39,203			39,203
Books & Videos	383,000	17,956	23,966	376,990
<b>Subtotal</b>	<b>519,119</b>	<b>17,956</b>	<b>23,966</b>	<b>513,109</b>
<b>Less Accumulated Depreciation</b>	<b>326,681</b>	<b>34,467</b>	<b>23,966</b>	<b>337,182</b>
<b>Net Capital Assets Being Depreciated</b>	<b>192,438</b>	<b>(16,511)</b>	<b>-0-</b>	<b>175,927</b>
<b>Governmental Activities Capital Total Capital Assets - Net of Depreciation</b>	<b>\$ 196,628</b>	<b>\$ (16,511)</b>	<b>\$ -0-</b>	<b>\$ 180,117</b>

Depreciation expense totaling \$34,467 was charged to the general government program in the statement of activities.

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES**

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
Steet Lighting	\$ <u>8,019</u>	General	\$ <u>8,019</u>
Totals	\$ <u>8,019</u>		\$ <u>8,019</u>

**NOTE 7 – EMPLOYEE'S RETIREMENT SYSTEM – DEFINED CONTRIBUTION**

The Township has a defined contribution pension plan covering substantially all employees who choose to belong to the plan. The minimum contribution of employees who wish to participate is 5 percent of their gross wage. The Township will contribute a maximum of 10 percent of participating employees gross wages. This benefit is an insurance-type plan administered by plan trustees, "Windsor Charter Township Pension Plan", under provisions of Section 401(a) of the Internal Revenue Code. As of December 31, 2005, the pension plan's current membership was sixteen employees.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participants account, the returns earned on the investments of those contributions, and forfeitures of other participant's benefits that may be allocated to such participant's account. The plan has no annual contribution requirement. Plan contributions will be determined by the Township's Board annually and all contributions have immediate vesting.

# **WINDSOR CHARTER TOWNSHIP** **NOTES TO FINANCIAL STATEMENTS**

For the plan year ended December 31, 2005, the Township's actual contributions amounted to \$41,783. The plan is funded through the John Hancock Insurance Company and had the following activity during the fiscal year ended December 31, 2005.

Balance - January 1, 2005	\$	405,519
Contributions -		
Employees		41,783
Employer		41,783
Earnings (Loss)		18,990
Withdrawals		-0-
Charges		<u>(5,688)</u>
Balance - December 31, 2005	\$	<u><u>405,519</u></u>

No pension provision changes occurred during the year that affected the required contributions to be made by Windsor Charter Township.

The pension plan held no securities of Windsor Charter Township or other related parties during the year or as of the close of the fiscal year.

## **NOTE 8 – LONG-TERM DEBT**

The government issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt services.

# WINDSOR CHARTER TOWNSHIP NOTES TO FINANCIAL STATEMENTS

Bond and contractual obligation activity can be summarized as follows:

	Interest Rate	Principal Matures	Beginning Balance	Additions (Reductions)	Ending Balance	Due Within One Year
<b>Governmental Activities</b>						
Special Assessment Bonds						
2001 sewage disposal refunding bonds	2.75%-4.375%	11-1-15	\$3,700,000	(\$390,000)	\$3,310,000	\$390,000
2002 sewage disposal improvement bonds	3.0%-4.55%	11-1-17	3,130,000	(245,000)	2,885,000	245,000
2005 sewage disposal improvement bonds	3.25%-4.00%	11-1-17	<u>2,365,000</u>	<u>-0-</u>	<u>2,365,000</u>	<u>195,000</u>
Total Government Activities			<u>\$9,195,000</u>	<u>(\$635,000)</u>	<u>\$8,560,000</u>	<u>\$830,000</u>

Annual debt service requirements to maturity for the above obligations are as follows:

<u>Governmental Activities</u>		
<u>Year End December 31</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 800,000	\$ 328,783
2007	790,000	301,245
2008	785,000	273,008
2009	785,000	244,270
2010	780,000	213,668
Thereafter	<u>4,620,000</u>	<u>664,830</u>
Total	<u>\$ 8,560,000</u>	<u>\$ 2,025,804</u>

## NOTE 9 – FUND BALANCE – RESERVED

The reserved portion of the fund balance, totaling \$24,335 consists of the Dorothy Hull Memorial Fund. These funds are reserved for future capital outlays and improvements to the library.

## NOTE 10 - RISK FINANCING

The Township is exposed to various risks of loss related to theft of, damage to, and distribution of assets; errors and omissions; and injuries to employees. The Township participates in the Michigan Municipal Liability and Property Pool for claims relating to general liability, excess liability, auto liability, errors and omissions, physical damage (equipment, building and contents) and workers' compensation. Settlement amounts have not exceeded insurance coverage for the current or three prior years.

The local units in the State of Michigan established and created a trust fund, known as the Michigan Municipal Liability and Property Pool (Pool) pursuant to the provisions of Act 138 of the

**WINDSOR CHARTER TOWNSHIP**  
**NOTES TO FINANCIAL STATEMENTS**

Michigan Public Acts of 1982. The Pool is to provide for joint and cooperative action relative to Members' financial and administrative resources for the

purpose of providing risk management services along with property and liability protection. Membership is restricted to local units and related local unit activities with the state.

The Michigan Municipal Liability and Property Pool program operates as a common risk-sharing management program for local units in Michigan, member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts.

**NOTE 11 – SPECIAL ASSESSMENT IMPROVEMENT BONDS, SERIES 2005**

The Special Assessment Improvement Bonds, Series 2005 (Limited Tax – General Obligation) of the Township are issued on March 9, 2005 under and in pursuance of the provisions of Act 188, Public Acts of Michigan, 1954. The Bonds are issued for the purpose of defraying the cost of expanding the Dimondale/Windsor Wastewater Treatment Plant, and making related improvements, and in anticipation of the collection in the amount of \$2,365,000 on the special assessment roll against the lands in the Sanitary Sewer Treatment Special Assessment District 2002-C. In addition to the special assessments, the Township has pledged its full faith and credit subject to applicable constitutional, statutory and charter tax rate limitations. In case of insufficiency of said special assessment collections, the Bonds are payable from the general funds of the Township.

**WINDSOR CHARTER TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	Original Budget	Amended Budget	Actual	Variance With Amended Budget
Beginning of Year Fund Balance	\$ 147,600	\$ 147,600	\$ 796,057	\$ 648,457
Resources (Inflows)				
Taxes:				
Current Taxes	\$ 440,000	\$ 461,000	\$ 460,486	\$ (514)
Delinquent Taxes	100	2,500	2,405	(95)
Trailer Taxes	2,700	2,750	2,712	(38)
	<u>\$ 442,800</u>	<u>\$ 466,250</u>	<u>\$ 465,603</u>	<u>\$ (647)</u>
State Grants:				
State Shared Revenue	\$ 400,000	\$ 418,000	\$ 410,587	\$ (7,413)
Fire Protection	15,000	32,500	32,404	(96)
	<u>\$ 415,000</u>	<u>\$ 450,500</u>	<u>\$ 442,991</u>	<u>\$ (7,509)</u>
Charges for Services:				
Fees Collected	\$ 5,000	9,200	\$ 9,762	\$ 562
Summer Tax Collection Fees	8,100	1,425	1,425	-0-
Cemetery Foundations	1,000	1,500	1,458	(42)
Grave Openings	6,000	7,200	7,200	-0-
	<u>\$ 20,100</u>	<u>\$ 19,325</u>	<u>\$ 19,845</u>	<u>\$ 520</u>
Interest and Rentals	\$ 8,000	\$ 32,800	\$ 40,583	\$ 7,783
Other Revenue:				
Ambulance Fees	\$ 180,000	\$ 294,000	\$ 276,506	\$ (17,494)
Franchise Fees	22,000	26,000	25,600	(400)
Sale of Assets		55,800	55,800	-0-
Miscellaneous	1,800	31,547	30,163	(1,384)
	<u>\$ 203,800</u>	<u>\$ 407,347</u>	<u>\$ 388,069</u>	<u>\$ (19,278)</u>
Amounts Available for Appropriation	<u>\$ 1,237,300</u>	<u>\$ 1,523,822</u>	<u>\$ 2,153,148</u>	<u>\$ 629,326</u>
Charges to Appropriations (Outflows)				
General Government:				
Township Board	\$ 146,700	\$ 146,700	\$ 108,574	\$ 38,126
Supervisor's Office	71,300	71,300	68,056	3,244
Elections	1,500	12,500	10,808	1,692
Clerk's Office	66,600	66,600	63,419	3,181
Board of Review	2,400	2,400	1,983	417
Treasurer's Office	65,400	65,400	61,958	3,442
Township Hall	11,900	11,900	9,542	2,358
Cemetery	35,100	40,100	40,205	(105)
Unallocated	10,200	10,200	9,858	342
	<u>\$ 411,100</u>	<u>\$ 427,100</u>	<u>\$ 374,403</u>	<u>\$ 52,697</u>

The notes to the financial statements are an integral part of this statement.

**WINDSOR CHARTER TOWNSHIP**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance With Amended Budget</u>
Public Safety:				
Fire Department	\$ 373,400	404,222	404,757	(535)
Planning Commision	27,000	29,000	28,026	974
	<u>\$ 400,400</u>	<u>\$ 433,222</u>	<u>\$ 432,783</u>	<u>\$ 439</u>
Public Works:				
Drain at Large	\$ 10,700	10,700	4,037	6,663
Street Lighting	4,800	8,450	9,688	(1,238)
Road Improvements	45,000	48,500	48,014	486
	<u>\$ 60,500</u>	<u>\$ 67,650</u>	<u>\$ 61,739</u>	<u>\$ 5,911</u>
Health and Welfare:				
Ambulance	\$ 194,400	214,400	224,512	(10,112)
Other:				
Social Security	\$ 16,700	16,700	15,902	798
Insurance and Bonds	47,200	52,700	52,672	28
Other	45,000	2,350		2,350
	<u>\$ 108,900</u>	<u>\$ 71,750</u>	<u>\$ 68,574</u>	<u>\$ 3,176</u>
Transfers to Other Funds:				
Public Improvement	\$ 25,000	25,000	25,000	-0-
Lighting		9,735	9,735	-0-
Component Unit	37,000	37,000	37,000	-0-
	<u>\$ 62,000</u>	<u>\$ 71,735</u>	<u>\$ 71,735</u>	<u>\$ -0-</u>
Total Charges to Appropriations	<u>\$ 1,237,300</u>	<u>\$ 1,285,857</u>	<u>\$ 1,233,746</u>	<u>\$ 52,111</u>
Budgetary Fund Balance - December 31	<u>\$ -0-</u>	<u>\$ 237,965</u>	<u>\$ 919,402</u>	<u>\$ 681,437</u>

The notes to the financial statements are an intgral part of this statement.



**WINDSOR CHARTER TOWNSHIP  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2005**

	Special Revenue Funds			Totals
	River Rock	Public Improve.	Street Lighting	
<b>ASSETS</b>				
Investments	\$ 23,153	\$ 157,001	\$	\$ 180,154
Receivables				
Taxes			48,378	48,378
Interest	26	88		114
Due from Other Funds			8,019	8,019
<b>Total Assets</b>	<u>\$ 23,179</u>	<u>\$ 157,089</u>	<u>\$ 56,397</u>	<u>\$ 236,665</u>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Accounts Payable	\$	\$	\$ 1,440	\$ 1,440
Deferred Revenue			48,378	48,378
<b>Total Liabilities</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 49,818</u>	<u>\$ 49,818</u>
Fund Equity				
Fund Balance-Unreserved	23,179	157,089	6,579	186,847
<b>Total Liabilities and Fund Equity</b>	<u>\$ 23,179</u>	<u>\$ 157,089</u>	<u>\$ 56,397</u>	<u>\$ 236,665</u>

The notes to the financial statements are an integral part of this statement.

**WINDSOR CHARTER TOWNSHIP  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2005**

	Special Revenue Funds			Totals
	River Rock	Public Improve.	Street Lighting	
Revenues				
Taxes	\$	\$	\$ 41,939	\$ 41,939
Interest	<u>764</u>	<u>4,267</u>		<u>5,031</u>
Total Revenues	\$ 764	\$ 4,267	\$ 41,939	\$ 46,970
Expenditures				
Current:				
Public Works	\$ -0-	\$ -0-	\$ 37,421	\$ 37,421
Excess of Revenues Over (Under) Expenditures	\$ 764	\$ 4,267	\$ 4,518	\$ 9,549
Other Financing Sources (Uses)				
Operating Transfers In		<u>25,000</u>	<u>9,735</u>	<u>34,735</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	\$ 764	\$ 29,267	\$ 14,253	\$ 44,284
Fund Balance - January 1	<u>22,415</u>	<u>127,822</u>	<u>(7,674)</u>	<u>142,563</u>
Fund Balance - December 31	<u><u>\$ 23,179</u></u>	<u><u>\$ 157,089</u></u>	<u><u>\$ 6,579</u></u>	<u><u>\$ 186,847</u></u>

The notes to financial statements are an integral part of this statement.